

HOW TO PREPARE AND SUBMIT THE STRATEGIC PRIORITY PLAN (SPP) FORMS

GENERAL: You must prepare and electronically submit a SPP package for receipt by the Office of Planning and Budget (OPB) by 5:00 pm, Friday, January 23, 2009. All SPP decisions must be based on performance and must use the December 1, 2008, Existing Operating Budget (EOB) adjusted for the deficit reduction plan approved by Governor Jindal and the Joint Legislative Committee on the Budget (JLCB) on December 30, 2008, and January 9, 2009, respectively as the starting point.

Use the SPP meeting package (a set Microsoft Excel files that includes tabs for department summary and agency summary, as well as tabs for financial and performance impacts of each SPP) for the budget SPP meetings. The SPP Forms package and instructions are available on the OPB website [<http://www.doa.louisiana.gov/opb/index.htm>] under PBB Forms and Guidelines. Any adjustment to funding must be documented with expected performance outcomes related to the request. Your SPP meeting materials must provide all the financial and performance information needed by the OPB analysts to complete the executive budget.

Merit increases must be funded unless you invoke Civil Service rules. Adhere to Civil Service Rule Chapter 17 relative to Withholding of Merit Increases in order to avoid a layoff, reduce, or minimize a layoff, or to avoid a substantial impairment of the ability of the appointing authority to provide essential services.

Do not reduce the following mandated statewide IAT expenditures below their recommended levels: Risk Management, Civil Service and Comprehensive Public Training Program (CPTP), payments made to the Louisiana Office Facilities Corporation (LOFC) and/or State Buildings and Grounds for operations and maintenance, Office of State Uniform Payroll (OSUP), Legislative Auditor, and Treasurer's Office. Mandated statewide expenditures will also include Group Benefits, Retirement, and Group Insurance for Retirees. These mandated FY 09-10 amounts should be obtained from your OPB analyst.

If you have any questions about the SPP Forms or how to prepare or submit financial and performance information, please contact your OPB budget analyst at 225-342-7005.

STRATEGIC PRIORITY PLAN (SPP) FORMS

SPP Forms require that a department/agency provide a priority ranking of all the reductions proposed to an activity. Only activities which are being reduced are to be prioritized and the priority shall be at the departmental level. This prioritization of the activities being reduced only applies to the reductions included in the SPP. Rankings are to be 1, 2, 3, etc. This plan does not recognize rankings that include subsets of any number such as, 1A, 1B, 1C, etc. In preparing your SPP forms, the following guidelines should be used:

- 1) One (1) Strategic Priority Plan-Department Summary Form (SPP-DS) should be completed for each department implementing a reduction. One (1) Strategic Priority Plan-Agency Summary Form (SPP-AS) should be completed for each agency implementing a reduction.
- 2) One (1) Strategic Priority Plan-Financial Impact Form (SPP-F) and one (1) Strategic Priority Plan-Performance Impact Form (SPP-P) should be completed for each SPP affecting an activity, per ranking, in an agency/department.
- 3) One (1) Strategic Priority Plan-Financial Impact Form (SPP-F) and one (1) Strategic Priority Plan-Performance Impact Form (SPP-P) **must** be completed for each activity encompassing amounts which are reflected in the “FY 08-09 Deficit Reduction Plan” column. As stated by Commissioner Davis during the JLCB testimony of January 9, 2009, and reiterated in the OPB memorandum dated January 14, 2009, referencing the “Strategic Priority Plans – Fiscal Year 2009-2010”, the department should annualize the reduction in the deficit reduction plan (DRP) in your FY 09-10 SPPs. If the SPP reflects the annualization of a DRP amount, you should identify it as such on your SPP-F form. Explain in detail how the annualization was calculated and what affect it has on expenditures and how it will affect performance on the SPP-P form.
- 4) The starting point for all SPP meeting packages is the Existing Operating Budget (EOB) adjusted for the deficit reduction plan approved by Governor Jindal and the Joint Legislative Committee on the Budget (JLCB) on December 30, 2008, and January 9, 2009, respectively. Do not use requested budget level or “anticipated needs” level as a starting point.
- 5) When funding mandated increases in expenditures and for any other expenditure increases you believe are necessary, you should utilize the following methodology. If you want to adjust your expenditures in an activity you can provide for this in two ways:
 - a. If you need to move expenditures between categories, within the same activity, this could be accomplished with one set of SPPs.
 - b. If you need to adjust expenditures in different activities, you will need to provide multiple sets of SPPs, one indicating the reduction from one activity and another set of SPPs identifying the corresponding increase.

It is important to keep in mind that in either scenario, the total of your department’s/budget unit’s SPP-F forms must equal the amount as identified in your “Strategic Priority Plans—Fiscal Year 2009-2010” memorandum of January 14, 2009.

DEPARTMENT LEVEL FORM

This is a summary, by agency, of all activity adjustments proposed in a department.

Strategic Priority Plan-Department Summary (SPP-DS)

Department Identification

1. Column G, Row 1 - Fill in the department number
2. Column G, Row 2 - Fill in department name

Strategic Reduction Goal– Department Reduction Total

3. Row 8 – Enter the amount, in all means of financing, included in the strategic reduction goal. Click on the “Show Other MOF” button to unhide the other means of financing columns.

Agency Adjustments

4. Row 11 and below – Enter amounts for each agency as reported on the Agency Summary Tab from the row “Strategic Reduction Goal”. Insert additional rows as needed at the Agency level. However, do not insert above row 11 nor below the row containing the DEPARTMENT TOTAL. The last row shall contain the sum of the strategic reduction goal including adjustments, which shall not exceed the strategic reduction goal. There is a row to check the difference between the department total strategic reduction goal amount and the agency total adjustments. This row should equal zero.

AGENCY LEVEL FORM

This is a summary by program including priority ranking of all the proposed adjusted activities in an agency.

Strategic Priority Plan-Agency Summary (SPP-AS)

Department Identification

1. Column G, Row 1 - Fill in the department number
2. Column G, Row 2 - Fill in department name
3. Column G, Row 3 - Fill in agency name

Strategic Reduction Goal – Agency Total

4. Row 8 – The department shall determine the allocation for each agency/budget unit. To the extent that other means of financing are impacted, enter the amount for all means of financing included in the strategic reduction goal. Click on the “Show Other MOF” button to unhide the other means of financing columns.

Section A. Program Adjustments

5. Rows 11 thru 21 are linked to the program section below. In column I, enter the name of the program(s). The row containing the AGENCY TOTAL shows the amount of total funds associated with the agency’s proposed adjustments, which shall not exceed the strategic reduction goal assigned by the department. There is a row to check the difference between the agency total strategic reduction goal amount and the agency’s total adjustments. This row should equal zero.

Section B. Program Specific Adjustments

6. Enter in each program section the amount of the adjustment for each activity. *(Remember that the total of the Program(s) Adjustment section above should equal the agency total of the strategic reduction goal.)*
7. In column I, type the name of the activity and the description/rationale of adjustment. Insert additional rows as needed at the program level. However, do not insert above the first row or below the row containing the TOTAL in each program section.

8. In columns J and K, enter the agency's and department's numerical ranking for an activity adjustment. Number 1 represents the first action to be considered for reinstatement.

ACTIVITY LEVEL FORMS

A separate Strategic Priority Plan Form-Financial Impact (SPP-F) and Strategic Priority Plan Form-Performance Impact (SPP-P) are to be prepared for each activity adjustment listed on the SPP-AS.

Strategic Priority Plan-Financial Impact (SPP-F)

Department: Fill in the name of the department

Agency: Fill in the name of the agency

Schedule Number: Fill in the department and agency schedule number

Program: Fill in the name of the program in which the adjusted activity is listed

Activity: Fill in the name of the adjusted activity

Dept's Ranking: List the adjusted activity's priority ranking (e.g. 1, 2, 3...) in the department in the first blank. List the total number of adjusted activities included in the department in the second blank. This same department priority ranking number should be assigned to the SPP-P form that must accompany this SPP-F.

Agency's Ranking: List the adjusted activity's priority ranking (e.g. 1, 2, 3...) in the agency in the first blank. List the total number of adjusted activities included in the agency in the second blank. This same agency priority ranking number should be assigned to the SPP-P form that must be accompanying this SPP-F.

Column: Existing Operating Budget as of 12/01/2008

This column should be the activity's funding level, by means of financing (MOF) and expenditures for the EOB.

Column: Less: FY 08-09 Carryforward BA-7s

By activity, MOF, and expenses, this column should identify the carryforwards made in FY 08-09.

Column: Less: FY 08-09 Deficit Reduction Plan

By activity, MOF, and expenses, this column should identify the deficit reduction plan approved by Governor Jindal and the Joint Legislative Committee on the Budget (JLCB) on December 30, 2008, and January 9, 2009, respectively.

Column: Adjusted EOB

This column contains a formula and should be the net of the "EOB as of 12/01/2008" less the "carryforward BA-7s" and the "deficit reduction plan".

Column: Strategic Reduction Goal

The strategic reduction goal is to be identified by activity, MOF, expenditures, and positions.

Column: **Strategic Level of Funding FY 09-10**

This column contains a formula and should be the net of “Adjusted EOB” less the “Strategic Reduction Goal”.

Statutory Dedication(s):

Identify the specific statutory dedication(s) for each adjustment.

Describe this Strategic Priority Plan:

In this area, identify and explain the adjustment in detail (by each means of financing, each category of expenditure, and object detail, if necessary.) If positions are eliminated, indicate what types of positions are being eliminated and whether the positions are filled or vacant. Indicate the job function of an eliminated position and describe how it meets or serves the role, scope, and/or mission of the affected program or budget unit. Provide a description of why the particular position was selected for elimination.

Strategic Priority Plan-Performance Impact (SPP-P)

Department: Enter the name of the department.

Agency: Enter the name of the agency.

Schedule Number: Enter the department and agency schedule number.

Program: Enter the name of the program in which the adjusted activity is listed.

Activity: Enter the name of the adjusted activity.

Dept’s Ranking: List the adjusted activity’s priority ranking (1, 2, 3...) in the department in the first blank. List the total number of adjusted activities included in the department in the second blank. This same department priority ranking number should be assigned to the SPP-F form that must accompany this SPP-P.

Agency’s Ranking: List the adjusted activity’s priority ranking (1, 2, 3...) in the agency in the first blank. List the total number of adjusted activities included in the agency in the second blank. This same agency priority ranking number should be assigned to the SPP-F form that must accompany this SPP-P.

PERFORMANCE INFORMATION: Use the SPP-Performance Impact tab of the SPP Forms workbook to identify, explain, and document the performance impact(s) (positive or negative) of each Strategic Priority Plan. (Each SPP-Financial Impact Form must be accompanied by a SPP-Performance Impact [SPP-P] Form.) Reduction(s) in services should consider the department/agency’s mission statement and objectives. Full justification, supported by data and including complete performance impact, is imperative.

SPP-P Section A – Performance Indicator Impacts: Complete Section A of the SPP-P for each performance objective (with related performance indicators) that will be affected by your Strategic Priority

Plan. Use the Section A table to show adjustments to objectives and performance indicators affected by the Strategic Priority Plan.

If an existing objective is affected, enter the number of the objective as it appears in the draft performance information transmitted to you by the OPB. Enter the text of the objective, including modifications related to the Strategic Priority Plan. If the Strategic Priority Plan requires the addition/creation of a new objective, enter that new objective.

The performance indicator table in Section A includes the following columns:

- LaPAS PI Code
- Level (Key or Supporting)
- Name
- Existing Operating Budget (EOB) Performance Standard FY 2009-2010 (obtained from draft performance information)
- Less: Carryforward BA-7 Performance Impact
- Less: FY 08-09 Deficit Reduction Plan
- Adjusted EOB Performance Standard
- Performance Impact (plus or minus) of Strategic Reduction Goal
- Proposed Performance Standard at Strategic Level of Funding FY 2009-2010

Complete the performance indicator table for all key and supporting performance indicators related to the objective. If necessary, insert additional rows for performance indicators.

Repeat this section as often as necessary to identify and document all objectives and performance indicators affected by the Strategic Priority Plan.

Do not submit proposed performance values of “To Be Established”. Since SPP decisions must be based on performance, it is mandatory that performance impact data (numbers) be provided.

SPP-P Section B – Explanation of Performance Indicator Impacts: Use Section B of the SPP-P to concisely explain why or how the SPP results in the performance impact shown in the Section A table above. Repeat this section as often as necessary to explain all objectives and performance indicators affected by the SPP decision adjustment.

SPP-P Section C – Other Performance Impacts: Use Section C of the SPP-P to explain any performance impacts other than, or in addition to, direct effects on objectives and performance indicators. Performance impact includes both direct impact on performance indicators and direct or indirect impact on performance and productivity—that is, the ability of the program to carry out its mission, achieve goals and objectives, and provide services efficiently and effectively.

Even if performance objectives indicators are not affected by a SPP that does not mean that there are no other performance impacts. You must identify and quantify those other performance impacts. (For example: Are there any anticipated direct or indirect effects on program management or service recipients? Will the quality and/or quantity of services change? Will processing/turnaround/waiting times change? Will revenue collection be affected? Will an issue or problem be exacerbated or relieved? Will accreditation or independence from court order/supervision be affected? Will the SPP hinder or delay achievement of strategic outcomes? Will the SPP have a positive or negative impact on some other program or agency?) Quantify these impacts; support this explanation with measurable facts and figures.

SPP-P Section D: If there are no performance impacts associated with a SPP; use Section D of the Performance Tab to fully explain this lack of performance impact. (If an adjustment has no performance impact, why is it necessary or desirable?) Remember that the lack of direct impact on performance objectives and indicators does not rule out other performance impacts. There may be general impact on overall performance and ability to carry out mission and goals. However, lack of any sort of performance impact raises the questions of why the adjustment is needed and how the adjustment can be justified.